

Message Text

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TAGS: EFIN, FR

SUBJECT: EARLY REACTIONS TO THE BARRE PLAN

REFTEL: PARIS 27833

1. THE HIGHLIGHTS OF THE EARLY REACTIONS ARE
SUMMARIZED BELOW.

2. GENERALLY PRO-GOVERNMENT CIRCLES: WHILE NONE OF
THE GENERALLY PRO-GOVERNMENT GROUPS HAVE EXPRESSED
OVERWHELMING ENTHUSIASM FOR THE BARRE PLAN, THEY SEEM
PREPARED TO SUPPORT IT. THE PATRONAT AND OTHER
BUSINESS ORGANIZATIONS HAVE EXPRESSED SIMILAR VIEWS
AND COMPLAINED THAT TOO MUCH OF THE PLAN'S BURDEN FALLS
ON THEIR CLIENTELE. FARM GROUPS GENERALLY REMARKED
THAT GOF ESTIMATES OF DROUGHT LOSSES AND COMPENSATION
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ARE MUCH TOO LOW. PERHAPS EX-PRIME MINISTER ANTOINE

PINAY BEST EXPRESSED VIEWS IN THIS SECTOR IN HIS COMMENT THAT HE HAD HOPED THE PLAN WOULD GO FURTHER IN THE DIRECTION OF VIGOR AND IMAGINATION, BUT THAT HE FERVENTLY HOPES THAT THE PLAN WILL GAIN ENOUGH PUBLIC SUPPORT TO SUCCEED.

THE CENTER FOR SOCIAL DEMOCRATS, FOR EXAMPLE, HAS EXPRESSED SUPPORT, BUT WITH RESERVATIONS AS TO THE SUFFICIENCY OF THE PLAN'S MEASURES TO STIMULATE INVESTMENT AND TO DIMINISH TAX EVASION. NONE OF THE MAJORITY PARTIES HAVE MUSTERED ANY GREAT ENTHUSIASM FOR THE PLAN, HOWEVER, THEIR SPOKESMEN HAVE VOICED QUALIFIED AND NUANCED SUPPORT. THERE CAN BE NO DOUBT, HOWEVER, THE GOVERNMENT PARTIES WILL BACK THE MAIN ELEMENTS OF THE BARRE PROGRAM, WHEN PRESENTED IN THE ASSEMBLY.

3. THE OPPOSITION PARTIES: THE COMMUNIST REACTION WAS ONE OF COMPLETE REJECTION OF THE "GISCARD PLAN" BASED ON THE ALLEGATION THAT IT IS DIRECTED ENTIRELY AGAINST THE WORKING CLASS AND THAT, DESPITE THE PLAN'S "GIVEAWAY" TO BIG BUSINESS, IT WILL LEAD TO RECESSION AND UNEMPLOYMENT. THE SOCIALIST PARTY IS ALSO CRITICAL, THOUGH WITH SOMEWHAT MORE ATTENTION TO THE SPECIFIC DETAILS OF THE PLAN. THE BASIC SOCIALIST ALLEGATIONS ARE THAT THE PLAN PENALIZES SALARIED WORKERS AND THAT IT DOES TOO LITTLE TO COMBAT UNEMPLOYMENT AND TO STRENGTHEN THE ECONOMY IN GENERAL AND THE SOCIAL SECURITY SYSTEM IN PARTICULAR.

4. GENERAL PRESS: LE MONDE IS CRITICAL OF THE PLAN, CHARACTERIZING MANY OF ITS PROVISIONS AS NEW VERSIONS OF OLD GISCARD POLICIES AND JUDGING THEM TOO MODEST TO HAVE THE DESIRED EFFECT ON INFLATION. BUSINESS-ORIENTED LES ECHOS TAKES THE LINE THAT THE PLAN DOES NOT GO FAR ENOUGH IN ENFORCING WAGE RESTRAINT AND ENCOURAGING PRIVATE INVESTMENT, BUT IS HOPEFUL THAT THE PLAN'S PSYCHOLOGICAL IMPACT WILL BE SUFFICIENT TO MAKE UP FOR ITS SUPPOSED LACK OF VIGOR. LE FIGARO TAKES A BALANCED BUT BASICALLY FAVORABLE VIEW, CALLING THE PLAN "ROUGH BUT FAIR" AND TECHNICALLY SOUND.

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4. LABOR: PREDICTABLY, THE RADICAL LABOR UNIONS (CGT/CFDT) HAVE BEEN QUICK TO CRITICIZE THE NEW ECONOMIC PROGRAM. THE CGT HAS CALLED FOR JOINT ACTION WITH OTHER UNIONS IN OPPOSITION TO THE BARRE PROGRAM. FEN (EDUCATION) LEANS MORE TOWARD THE CGT-CFDT POSITION WHICH RAISES THE PROSPECT OF JOINT CGT-CFDT-FEN RESPONSE TO THE PLAN.

THE NON-COMMUNIST UNIONS, FO, CFTC AND CGC, ARE USING

TRADITIONAL CAUTIOUS LANGUAGE TO CONVEY SUPPORT, BUT WITH RESERVATIONS CONCERNING THE ABILITY OF THE GOVERNMENT TO CONTROL PRICES AND GOVERNMENT RESPECT OF UNION FREEDOM TO BARGAIN COLLECTIVELY IN BOTH PUBLIC AND PRIVATE SECTORS.

5. COMMENT: ON THE SURFACE, THE FIRST ROUND OF FRENCH PRESS, POLITICAL PARTY, AND INTEREST GROUP RE-ACTIONS TO THE BARRE PLANN IS AT BEST MIXED AND RESERVED. THE COMMENTARY SO FAR RANGES FROM CAUTIOUS, RESERVED OR PARTIAL SUPPORT ON THE CENTER-RIGHT OF THE SOCIO-POLITICAL SPECTRUM, TO VARYING DEGREES OF CONDEMNATION ON THE LEFT. IF ONE LOOKS BENEATH THE SURFACE OF THE EARLY OUTCRIES AND TACTICAL POSITIONING, HOWEVER THE EARLY RETURNS ARE NOT NECESSARILY DISCOURAGING, ALTHOUGH ON BALANCE SOMEWHAT MORE NEGATIVE THAN THE GOVERNMENT MIGHT HAVE HOPED.
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